

# George Cross News Letter

NO.215(1988)  
NOVEMBER 8, 1988

## PROSPECTORS AIRWAYS CO. LTD. (PRS-V)

PROPERTY VALUATION REPORTED - Prospectors Airways Co.

Prospectors Airways Co. Ltd. has received an independent valuation report from Ross Glanville Management Ltd. of the Anyox mineral properties 160 km north of Prince Rupert, B.C. at tidewater. Prospectors can earn a 40% interest from Cominco Ltd. by spending \$3,000,000, of which \$1,700,000 has been spent to date.

TONNES	COPPER	RECOVERED SILVER	RECOVERED GOLD
30,000,000	0.70%	0.20	0.0025
20,000,000	.80%	.25	.0030

Based on the potential reserves above, the valuation report calculates a pre-tax net present value of \$10,000,000 with a net after-tax return per year of \$5,600,000 at \$1.00 per lb.copper. At \$1.25 per lb.copper the figures are \$54,000,000 and \$12,700,000. This valuation may be updated when Cominco's report on the 1988 work program becomes available.

Prospectors has dropped the option to earn a 40% of Esso Resources Canada's Eaglehead property in the Dease Lake area of B.C., and a 51% interest in the O'Conner River property near Chilkat Pass in NW B.C.

The company is negotiating for a private placement of \$1,300,000 to finance the balance of funds required to complete the 40% earn-in on the Anyox joint venture. A private placement of 10,870 shares at 23¢ per share for \$2,500 has been arranged.

The company's office has been moved to 429 - 470 Granville Street, Vancouver, B.C.

## MIKADO RESOURCES LTD. (MKO-V)

### GOLDEN ARCH RESOURCES LTD.

formerly TURNER ENERGY & RESOURCES LTD.

### ROPER RESOURCES INC. (RRN-Alberta)

SILVER LEAD ZINC AT THE ABBOTT & GOLD AT THE RED ELEPHANT

### INTERESTS INCREASED IN THE MT. TEMPLEMAN PROJECT REORGANIZATION - FUNDING & EXPLORATION REVIEWED

The 1988 exploration by Mikado Resources on the Mt. Templeman property, 60 miles southeast of Revelstoke, B.C., consisted primarily 25,135 feet of diamond drilling including a series of holes on the Abbott replacement zone, which indicated a 500 foot strike length, about a 15 foot width and a maximum depth of 300 feet or an average depth of 150 feet. An engineering evaluation and reserve calculation is presently underway to prepare mining and production plans for 1989. The important 1988 drill holes in the Abbott zone are reported in the table below. A total of 9,000 tons of ore is stockpiled, 3,000 tons of which will be shipped by the end of November to the Dickenson Mines Silvana division at Sandon, B.C. Process of the remainder of the ore is expected to be completed by March. Mikado negotiated a

private placement on Sept. 24, 1988 of 315,790 shares at 98¢ each for \$300,000 from CP 1988, with the proceeds to be used for mill testing of the 3,000 tons of ore.

MOLE	INTERVAL	WIDTH	GOLD	SILVER	LEAD	ZINC	GROSS
AB	FEET	FEET	OZ/T	OZ/T	%	%	VALUE T
88-73	81 - 89	8.0 ft	.011	4.1	7.9	2.4	\$116.00
88-74	112.5-129	6.5	.021	2.95	4.19	16.45	312.00
88-78	127 -132	5.0	.024	4.44	1.51	18.90	431.00
88-79	155.5-185.5	30.0	.024	3.61	6.22	13.2	283.00
88-82	255 -268	13.0	.009	11.2	11.43	17.13	491.00
88-83	241 -262	22.0	.012	10.41	10.70	26.47	564.00
88-87	198 -202.5	4.5	.127	5.76	9.26	26.00	571.00
	211 -215	4.0	.029	3.85	6.03	13.00	283.00
88-89	107 -117	10	.013	2.57	4.31	2.52	
88-92	127 -157	30	.022	3.6	4.75	.96	
incl.	127 -137	10	.053	9.04	11.68	1.43	
88-93	132 -162	30	.11	1.47	2.25	.43	
incl.	152 -162	10	.274	1.9	2.81	.1	
88-94	125 -162	37	.018	3.71	5.4	.72	
incl.	125 -142	17	.03	7.15	10.81	.84	
88-95	157 -167	10	.067	2.53	4.23	.36	
88-96A	108 -117	9	.017	4.77	8.44	4.09	
88-97	137 -142	5	.014	3.62	6.21	.34	
88-99	117 -132	17	.01	2.42	3.4	3.77	
88-100	167 -182	12	.01	2.02	2.41	3.58	
incl.	167 -177	10	.015	2.64	3.41	5.26	
88-121	182 -207	25.0	.027	3.13	4.55	17.95	384.00
88-122	247 -255	8.0	.016	2.97	6.02	1.19	81.00
88-127	240 -250	10.0	.012	19.6	18.4	22.95	617.00
88-144	227 -232	5	.017	16.1	13.9	24.4	
	232 -237	5	.061	17.6	14.1	19.8	
	237 -254	17	.005	6.78	11.4	34.0	

Turner Energy, which holds a 30% working interest in the Mt. Templeman property, has consolidated its shares on the basis of five old shares for one new share and changed its name to Golden Arch Resources. On July 31, 1988 there were 7,547,112 pre-consolidated shares issued and a working capital deficit of \$112,401. Golden Arch has negotiated a private placement of 500,000 shares at 50¢ which awaits regulatory approval and relisting of the shares.-CONTINUED ON PAGE TWO-



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CONTINUED FROM PAGE ONE - Mikado Resources holds a 70% interest in the property and recently negotiated a flow-through financing of 166,667 shares at \$1.20 from NIM-1988 for further exploration and has received regulatory approval for a private placement of 200,000 flow-through shares at \$1.50 each to 6 placees. Mikado Resources has arranged a private placement of a minimum of 41,667 and a maximum of 583,334 flow-thru shs. at \$1.20 per sh. with placee Maufort 1988 & Co. Ltd. Partnership. The exact amount of this placement will be determined by the Maufort partnership at the last closing of its proposed issue on the basis of the number of units sold under the Partnership's amended prospectus presently being filed. This private placement is in lieu of and not in addition to the placement of flow-thru shs. to a maximum amount of \$1,000,000 at \$1.39 per sh. as announced by Mikado on 3Feb88 and confirmed on 13Jun88, which has been cancelled by mutual consent. (GCNL 119(88)p.3 refers).

Mikado and Turner have also completed the sale of a 50% working interest in the Red Elephant gold prospect group of claims about 3 miles NE from the Abbott zone, to Roper Resources Inc. Roper paid \$30,000 and issued 550,000 shares, 385,000 shares to Mikado and 165,000 shares to Turner. Mikado retains a 35% interest and Golden Arch/Turner retains 15% interest in the property.

During 1988, 3 miles of access road were completed from the Abbott workings to the Red Elephant workings. In an old tunnel, 80 feet in elevation below the surface outcrop at the collar of the 70 foot deep shaft, grab samples carried values of 0.345, 0.064 and 0.178 oz. gold/t. The shaft was sunk in 1926 and 1927 and is reported to carry gold mineralization to the bottom. At 120 feet north of the shaft, chip sampling over a 9 foot width assayed 0.756 oz.gold/t, 1.28% copper. At 163 feet north of the shaft, honeycomb material over a 5 foot width ran 0.902 oz.gold/t. At 244 feet north in malachite stained phyllites a chip sample over 5 feet ran 0.66 oz.gold/t and 3.35% copper. In a surface trench at 4,600 feet elevation, 250 feet to the north of the outcrop the zone is 6 to 16 foot wide. At 455 feet north of the shaft, sampling in 1983 is reported to have assayed 1.8 oz.gold/t. Grab samples from a stockpile ran 0.902 and 0.114 oz.gold/t. A bulk sample taken in the shaft returned values of 0.745, 1.83, 3.18, 2.18, 1.30 and 1.10 oz.gold/t. The bulk sample represents a width of 4 feet on the north wall of the shaft and has an average of 1.72 oz.gold/t with a value of about \$840

per ton. This zone has a strike length in excess of 250 feet and is open in three directions. Widths of up to 16 feet have been exposed in the trenches.

The average of 11 samples taken from the south end of the gold - copper zone was 2.44 oz.gold/t. The next phase of exploration will include additional trenching, and sampling followed by drilling.

In June 1987, Mikado acquired a 100% interest in a block of 60 claims on the Adams Plateau, three miles to the northwest of and along strike with the Rea-Minnova Samatosum silver, lead, zinc deposit scheduled to reach production in the second quarter of 1989. A program of line cutting, soil sampling and geological mapping has been planned for 1988.

Mikado Resources holds a 50% interest in the 150 ton per day lead-zinc concentrating plant at Ainsworth, B.C in partnership with Dragoon Resources Limited. Mikado has applied to the B.C. Supreme Court to have a trustee appointed to sell the plant and have the proceeds divided 50-50 prior to Dec.31,1988.

REVELSTOKE  
60 MILES

MT. TEMPLEMAN  
2 MILES

ABBOTT ZONE  
3 MILES



WIDE ZONE  
OF LIMESTONE

7' LIMESTONE

ORE PILE

HONEYCOMB MATERIAL

OLD  
ADIT

SHAFT

(18 FT. HONEYCOMB GOLD  
STRUCTURE)

CREEK

CONTACT

BASELINE  
100 m  
North

EDGE OF ROCK BLIFTS

ELEVATION 460'

ACCESS  
ROAD

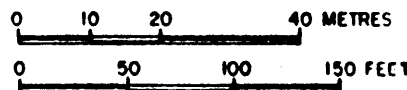
GOLD oz/l.	WIDTH Feet	
.307	2	
.026	5	
.018	6"	(Bulk)
.022	6"	
.001	2	
.004	5	
.66	5	
.004	4"	
.902	5	
.114	5	
.276		(1 Ton Muck)
.001	24"	
1.08	2	
.756	9	
.004	18"	
.002		(4" U.G. Chp)
.354		(Muck U.G.)
.064		(Muck U.G.)
.178		(Muck U.G.)
2.94	4 (U.G.)	
2.88		(Bulk U.G.)
.42	5 (U.G.)	
.66	6 (U.G.)	
12.2	4 (U.G.)	
.746	4 (Bulk U.G.)	
1.83	4 (Bulk U.G.)	
3.18	4 (Bulk U.G.)	
2.18	4 (Bulk U.G.)	
1.30	4 (Bulk U.G.)	
1.10	4 (Bulk U.G.)	

**LEGEND**

- STRIKE AND DIP OF DIPPING
- ① PHYLLITE
- ② LIMESTONE

**NOTE**

SURVEY BY CHAIN AND COMPASS



**ROPER RESOURCES INC.**

RRN-Alberta 50%

**MIKADO RESOURCES LTD.**

MKO-V 35%

**GOLDEN ARCH RESOURCES  
LTD. 15%**

**RED ELEPHANT PROJECT**

**MT. TEMPLEMAN AREA, SLOCAN M.D., B.C.**